

ENTERED

August 16, 2023

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Chapter 11
	§	
CORE SCIENTIFIC, INC., et al.,	§	Case No. 22-90341 (DRJ)
	§	
	§	(Jointly Administered)
Debtors.²	§	
	§	(Docket No. 1057)

**ORDER APPROVING (I) GLOBAL SETTLEMENT
BETWEEN DEBTORS AND CONDAIR INC.
AND (II) GRANTING RELATED RELIEF**

Upon the motion, dated July 14, 2023 (the “**Motion**”),³ of Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”), Debtors request authority for (i) a global settlement between the Debtors and Condaire Inc. (“**Condaire**”) on the terms set forth in the Motion, and (ii) granting related relief, as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and all objections, if any, to the Motion having been withdrawn, resolved,

² The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

or overruled; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interest of the Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing,

IT IS HEREBY ORDERED THAT:

1. Pursuant to Bankruptcy Rule 9019 and sections 105(a), 362(d) and 363 of the Bankruptcy Code, the global settlement by and between the Debtors and Condair (the “**Condair Settlement**”), on the terms set forth and agreed to in the *Settlement Term Sheet* (the “**Term Sheet**”) and herein, is authorized and approved.

2. The Debtors are authorized to enter into, execute, deliver, and implement the terms set forth herein and in the Term Sheet, as agreed to by the Parties.

3. The Condair Settlement is the product of extensive, good faith, arms’ length negotiations between the Parties and their respective representatives.

4. The Debtors shall have no further interest, if any, in the goods described in Annex A to this Order, to the extent such goods are in Condair’s possession.

5. Within five (5) calendar days after the entry of this Order, the Debtors shall pay Condair \$2,400,000 (the “**Settlement Payment**”) in cash by wire transfer pursuant to instructions to be provided by Condair.

6. Upon Condair’s receipt of the Settlement Payment in immediately available funds:

(a) any Claim (as defined in the Bankruptcy Code) held by Conair against the Debtors, including the Condair Claims, including but not limited to that certain Proof of Claim No. 430, shall be fully and finally paid, satisfied, released, and expunged;

(b) Condair shall deliver to the Debtors (i) final lien waivers (which lien waivers shall be unconditional) in form and substance reasonably acceptable to the Debtors for all work performed at the Facilities and all goods, labor and materials supplied to, for or in connection with the Debtors or the Facilities, duly executed by Condair;

(c) the the Condair Liens shall be fully and finally released, extinguished and discharged;

(d) any and all contracts and outstanding purchase orders between Condair and the Debtors, including, without limitation, the Condair Contracts, are terminated, and Condair releases and shall not have any claims for rejection damages based on termination or otherwise; and

(e) the Debtors and their chapter 11 estates (together, the “**Debtor Releasors**”) and Condair and its affiliates (each of the Debtor Releasors and Condair and its affiliates, a “**Releasing Party**” and, collectively, the “**Releasing Parties**”), each on behalf of itself and any other party, person or entity claiming under or through it, hereby completely and finally releases, discharges, acquits, and covenants not to sue (i) each other Releasing Party and its respective current and former agents, servants, officers, directors, shareholders, employees, subsidiaries, divisions, affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns (each of the foregoing, including each Releasing Party, a “**Released Party**”) from all manners of action, causes of action, judgments, executions, debts, demands, rights, damages, costs, expenses, liens, and claims of every kind, nature, and character whatsoever,

whether in law or in equity, whether based on contract (including, without limitation, quasi-contract or estoppel), statute, regulatory, tort (including, without limitation, intentional torts, fraud, misrepresentation, defamation, breaches of alleged fiduciary duty, recklessness, gross negligence, or negligence) or otherwise, accrued or unaccrued, known or unknown, matured, unmatured, liquidated or unliquidated, certain or contingent, that such releasing Party ever had or claimed to have or now has or claims to have, against any Released Party arising under or related to the Condair Claims, the Condair Liens, the Condair Contracts, or the Facilities, including, for the avoidance of doubt, any preference, fraudulent transfer, or other avoidance action arising under chapter 5 of the Bankruptcy Code or other applicable law and (ii) each other Releasing Party from any and all other claims or causes of action arising prior to the entry of this Order; and

(f) other than as set forth herein, Condair shall not be entitled to receive any other recovery in connection with any claims it has, or could have, asserted in connection with these chapter 11 cases or otherwise.

7. To the extent applicable, the automatic stay pursuant to section 362(a) of the Bankruptcy Code is hereby lifted solely for purposes of implementing the Settlement Agreement.

8. The Debtors are authorized to enter into, perform, execute, and deliver all documents, and take all actions, necessary or appropriate to immediately continue and fully implement the Condair Settlement and carry out the relief granted in this Order. The Debtors and Condair shall do, execute, acknowledge and deliver all such further acts, instruments and assurances and take all such further action as shall be necessary or desirable to fully implement the Condair Settlement, carry out the relief granted in this Order and fully consummate and effect the transactions provided for in this Order.

9. Except as set forth in this Order, nothing contained in the Motion, this Order, or any actions taken by the Debtors pursuant to the relief granted in the Order shall be construed as: (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law, or (iii) an approval of an assumption of any lease, sublease, or contract pursuant to section 365 of the Bankruptcy Code.

10. The Debtors and Condair are authorized to take all steps necessary or appropriate to carry out the relief granted in this Order. To the extent that there is any inconsistency between the Term Sheet and this Order or between the Motion and this Order, the provisions of this Order will govern.

11. The Parties will each be responsible for and pay its own legal fees and out-of-pocket expenses in connection with the Claims, the Liens, and the chapter 11 cases of the Debtors pending in the Bankruptcy Court.

12. This Order shall be immediately effective and enforceable upon its entry.

13. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Signed: August 16, 2023.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

United States Bankruptcy Court
Southern District of Texas

In re:
Core Scientific, Inc.
Official Committee of Unsecured Creditor
Debtors

Case No. 22-90341-dmj
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0541-4
Date Rcvd: Aug 16, 2023

User: ADIuser
Form ID: pdf002

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Total Noticed: 41

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.
^	Addresses marked '^' were sent via mandatory electronic bankruptcy noticing pursuant to Fed. R. Bank. P. 9036.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Aug 18, 2023:

Recip ID	Recipient Name and Address
db	+ American Property Acquisition, LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ American Property Acquisitions I, LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ American Property Acquisitions VII, LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Core Scientific Acquired Mining LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Core Scientific Mining LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Core Scientific Operating Company, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Core Scientific Specialty Mining (Oklahoma) LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Core Scientific, Inc., 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ RADAR LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Radar Relay, Inc., 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Starboard Capital LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
trnsfee	+ B. Riley Securities, Inc., 11100 Santa Monica Blvd., Suite 800, Los Angeles, CA 90025-3979
intp	+ Board of Directors of Core Scientific, Inc., c/o Peter C. Lewis, Scheef & Stone, L.L.P., 500 North Akard Street, Suite 2700, Dallas, TX 75201-3306
intp	+ Condair Inc., c/o John S. Collins, Vorys, Sater, Seymour and Pease LLP, 909 Fannin, Suite 2700, Houston, TX 77010-1009
cr	+ Dalton Utilities, Howley Law PLLC, 711 Louisiana Street, Ste. 1850, Houston, TX 77002-2790
cr	+ Indigo Direct Lending, LLC, c/o Ross, Smith & Binford, PC, Attn: Frances A. Smith, 700 N. Pearl Street, Suite 1610 Dallas, TX 75201-7459
cr	+ J.W. Didado Electric, LLC, c/o Leonard I. Pataki, Quanta Services, 4500 S. Garnett Road, Suite 100, Tulsa, OK 74146-5221
cr	+ LV.NET, LLC, 1221 S. Casino Center Blvd., Las Vegas, NV 89104, UNITED STATES 89104-1015
cr	+ Maddox Industrial Transformer, LLC, c/o Mary M. Caskey, Esq., Haynsworth Sinkler Boyd, PA, PO Box 11889, Columbia, SC 29211-1889
intp	+ McCarthy Building Companies, Inc., c/o Watt, Tieder, Hoffar & Fitzgerald, L, 1765 Greensboro Station Place, Suite 1000, McLean, VA 22102-3468
cr	+ North Mill Equipment Finance LLC, c/o Padfield & Stout, LLP, Christopher V. Arisco, 420 Throckmorton Street, Suite 1210, Fort Worth, TX 76102-3792
cr	+ Pescadero Capital, LLC, Building LAW/JB, 700 Universe Blvd, Juno Beach, FL 33408, UNITED STATES 33408-2657
cr	+ Quinn Emanuel Urquhart & Sullivan, LLP, c/o Asher Griffin, 300 W 6th Street, Suite 2010, Austin, TX 78701 UNITED STATES 78701-3901
cr	+ Tanmar Rentals, LLC, c/o Wells & Cuellar, P.C., 440 Louisiana Suite 718, Houston, TX 77002, UNITED STATES 77002-1058
cr	+ Tenaska Power Services Co., c/o Ross & Smith, P.C., Attn: Jason Binford, 2003 N. Lamar Blvd., Suite 100 Austin, TX 78705-4932
intp	+ U.S. Bank National Association, as Prepetition Not, c/o Shipman & Goodwin LLP, One Constitution Plaza, Hartford, CT 06103-1803
cr	+ c/o James Bailey Esq Gaylor Electric, Inc., d/b/a, Bradley Arant Boult Cummings LLP, One Federal Place, 1819 5th Ave. N, Birmingham, AL 35203-2119

TOTAL: 27

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
cr	+ Email/Text: ahochheiser@mauricewutscher.com	Aug 16 2023 20:16:00	AmTrust North America, Inc. on behalf of Associate, c/o Maurice Wutscher LLP, 23611 Chagrin Blvd. Suite 207, Beachwood, OH 44122-5540
cr	+ Email/Text: beanland@mssattorneys.com	Aug 16 2023 20:16:00	BEAM Concrete Construction, Inc., c/o Misti L. Beanland, 8131 LBJ Freeway, Suite 700, Dallas,

District/off: 0541-4
Date Rcvd: Aug 16, 2023

User: ADIuser
Form ID: pdf002

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			TX 75251-1352
cr	+ Email/Text: dallas.bankruptcy@LGBS.com	Aug 16 2023 20:17:00	Dallas County, Linebarger Goggan Blair & Sampson, LLP, c/o John K. Turner, 2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328
cr	^ MEBN	Aug 16 2023 20:14:51	GEM Mining 1, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	^ MEBN	Aug 16 2023 20:14:47	GEM Mining 2, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	^ MEBN	Aug 16 2023 20:14:50	GEM Mining 2B, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	^ MEBN	Aug 16 2023 20:14:45	GEM Mining 3, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	^ MEBN	Aug 16 2023 20:14:45	GEM Mining 4, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	+ Email/Text: rmcowell@slgcollect.com	Aug 16 2023 20:16:00	Meridian Equipment Finance, LLC, c/o Saldutti Law Group, 1040 Kings Highway N., Suite 100, Cherry Hill, NJ 08034-1925
cr	Email/Text: shirley.palumbo@nexteraenergy.com	Aug 16 2023 20:16:00	NextEra Energy Resources, LAW/JB, 700 Universe Blvd., Juno Beach, FL 33408, UNITED STATES
cr	+ Email/Text: schristianson@buchalter.com	Aug 16 2023 20:16:00	Oracle America, Inc., Buchalter PC, c/o Shawn M. Christianson, 425 Market St., Suite 2900, San Francisco, Ca 94105-2491
cr	+ Email/Text: neil.orleans@judithwross.com	Aug 16 2023 20:16:00	Tenaska Power Services Co., c/o Ross & Smith, P.C., Attn: Judith W. Ross, 700 N. Pearl Street, Suite 1610, Dallas, TX 75201-7459
cr	^ MEBN	Aug 16 2023 20:12:54	Texas Comptroller of Public Accounts, Revenue Acco, Christopher S. Murphy, P.O. Box 12548, Austin, TX 78711-2548
cr	+ Email/Text: BKECF@traviscountytx.gov	Aug 16 2023 20:16:00	Travis County, c/o Jason A. Starks, P.O. Box 1748, Austin, TX 78767-1748

TOTAL: 14

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
cr		36th Street Capital Partners, LLC
cr		ABLe Communications, Inc.
cr		Ad Hoc Group of Secured Convertible Noteholders
cr		Anchorage Lending CA, LLC
intp		B. Riley Commercial Capital, LLC
cr		Barings BDC, Inc.
cr		Barings Capital Investment Corporation
cr		Barings Private Credit Corp.
cr		BlockFi Lending LLC
cr		BlockFi, Inc. and its affiliated entities
cr		Bremer Bank
cr		Brown Corporation Brown Corporation, 311 Pointe North Place #4, Dalton, UNITED STATES
cr		Bryce Johnson
cr		CEC Energy Services LLC
cr		Celsius Mining, LLC

District/off: 0541-4
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cr	Charles Basil
cr	City of Denton
cr	Coonrod Electric Co. LLC
intp	Foundry Digital LLC
cr	General Casualty Company of Wisconsin
intp	Harper Construction Company, Inc.
cr	Huband-Mantor Construction, Inc.
cr	Humphrey & Associates, Inc.
cr	MK Marlow Company, LLC
cr	MP2 Energy Texas LLC d/b/a Shell Energy Solutions
cr	Marnoy Interests, Ltd. d/b/a Office Pavilion
cr	MassMutual Asset Finance, LLC
cr	Mitch Edwards
cr	Morgan Hoffman
cr	NYDIG ABL LLC
intp	Official Committee of Equity Security Holders
cr	Official Committee of Unsecured Creditors
cr	Prime Alliance Bank, Inc.
cr	Priority Power Management, LLC
intp	SRPF A QR Riversouth LLC
cr	Sphere 3D Corp.
cr	Summit Electric Supply Company, Inc.
cr	TOYOTA INDUSTRIES COMMERCIAL FINANCE INC.
cr	Texas Capitalization Resource Group, Inc., 5201 Camp Bowie Blvd. Suite 200, Fort Worth
intp	The Ad Hoc Equity Group
intp	Trilogy LLC
intp	Trinity Capital Inc.
cr	Wingspire Equipment Finance, LLC

TOTAL: 43 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Aug 18, 2023

Signature: /s/Gustava Winters